

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1607 be amended to read as follows:

- 1 Page 1, line 16, delete "." and insert "**or IC 8-25-2.**".
- 2 Page 1, between lines 16 and 17, begin a new paragraph and insert:
- 3 "SECTION 2. IC 5-1.5-1-8, AS AMENDED BY P.L.232-2007,
- 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 UPON PASSAGE]: Sec. 8. "Qualified entity" means:
- 6 (1) a political subdivision (as defined in IC 36-1-2-13);
- 7 (2) a state educational institution;
- 8 (3) a leasing body (as defined in IC 5-1-1-1(a));
- 9 (4) a not-for-profit utility (as defined in IC 8-1-2-125);
- 10 (5) any rural electric membership corporation organized under
- 11 IC 8-1-13;
- 12 (6) any corporation that was organized in 1963 under Acts 1935,
- 13 c. 157 and that engages in the generation and transmission of
- 14 electric energy;
- 15 (7) any telephone cooperative corporation formed under
- 16 IC 8-1-17;
- 17 (8) any commission, authority, or authorized body of any qualified
- 18 entity;
- 19 (9) any organization, association, or trust with members,
- 20 participants, or beneficiaries that are all individually qualified
- 21 entities;
- 22 (10) any commission, authority, or instrumentality of the state;
- 23 (11) any other participant (as defined in IC 13-11-2-151.1);
- 24 (12) a charter school established under IC 20-5.5 (before its
- 25 repeal) or IC 20-24 that is not a qualified entity under
- 26 IC 5-1.4-1-10;
- 27 (13) a volunteer fire department (as defined in IC 36-8-12-2); ~~or~~
- 28 (14) a development authority (as defined in IC 36-7.6-1-8); **or**
- 29 **(15) a regional transportation district established under**
- 30 **IC 8-25-2.**".
- 31 Page 2, line 36, delete "." and insert "**or IC 8-25-2.**".

1 Page 4, line 4, delete "." and insert "**or IC 8-25-2.**".

2 Page 4, between lines 39 and 40, begin a new paragraph and insert:

3 "SECTION 5. IC 6-1.1-20-1.6 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.6. As used in this
5 chapter, "property taxes" means a property tax rate or levy to pay debt
6 service or to pay lease rentals, but does not include taxes allocated for
7 an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9, **IC 8-25-14-6**,
8 IC 36-7-14-39, IC 36-7-15.1-26, or IC 36-7-15.1-53.

9 SECTION 6. IC 6-1.1-21.2-3, AS AMENDED BY P.L.146-2008,
10 SECTION 231, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter,
12 "allocation area" refers to an area that is established under the authority
13 of any of the following statutes and in which tax increment revenues
14 are collected:

- 15 ~~(1)~~ IC 6-1.1-39
- 16 ~~(2)~~ IC 8-22-3.5
- 17 **IC 8-25-14**
- 18 ~~(3)~~ IC 36-7-14
- 19 ~~(4)~~ IC 36-7-14.5
- 20 ~~(5)~~ IC 36-7-15.1
- 21 ~~(6)~~ IC 36-7-30
- 22 ~~(7)~~ IC 36-7-30.5

23 SECTION 7. IC 6-1.1-21.2-4, AS AMENDED BY P.L.146-2008,
24 SECTION 232, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE UPON PASSAGE]: Sec. 4. As used in this chapter, "base
26 assessed value" means the base assessed value as that term is defined
27 or used in:

- 28 ~~(1)~~ IC 6-1.1-39-5(h)
- 29 ~~(2)~~ IC 8-22-3.5-9(a)
- 30 ~~(3)~~ IC 8-22-3.5-9.5
- 31 **IC 8-25-1-4**
- 32 **IC 8-25-14-6**
- 33 ~~(4)~~ IC 36-7-14-39(a)
- 34 ~~(5)~~ IC 36-7-14-39.2
- 35 ~~(6)~~ IC 36-7-14-39.3(c)
- 36 ~~(7)~~ IC 36-7-14-48
- 37 ~~(8)~~ IC 36-7-14.5-12.5
- 38 ~~(9)~~ IC 36-7-15.1-26(a)
- 39 ~~(10)~~ IC 36-7-15.1-26.2(c)
- 40 ~~(11)~~ IC 36-7-15.1-35(a)
- 41 ~~(12)~~ IC 36-7-15.1-35.5
- 42 ~~(13)~~ IC 36-7-15.1-53
- 43 ~~(14)~~ IC 36-7-15.1-55(c)
- 44 ~~(15)~~ IC 36-7-30-25(a)(2)
- 45 ~~(16)~~ IC 36-7-30-26(c)
- 46 ~~(17)~~ IC 36-7-30.5-30 ~~or~~
- 47 ~~(18)~~ IC 36-7-30.5-31

SECTION 8. IC 6-1.1-21.2-5, AS AMENDED BY P.L.146-2008, SECTION 233, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. As used in this chapter, "district" refers to the following:

- (1) An economic development district under IC 6-1.1-39.
- (2) An eligible entity (as defined in IC 8-22-3.5-2.5).
- (3) A regional transportation district established under IC 8-25-2.**
- ~~(3)~~ **(4)** A redevelopment district, for an allocation area established under:
 - (A) IC 36-7-14; or
 - (B) IC 36-7-15.1.
- ~~(4)~~ **(5)** A special taxing district, as described in:
 - (A) IC 36-7-14.5-12.5(d); or
 - (B) IC 36-7-30-3(b).
- ~~(5)~~ **(6)** A military base development area under IC 36-7-30.5-16.

SECTION 9. IC 6-1.1-21.2-6, AS AMENDED BY P.L.146-2008, SECTION 234, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this chapter, "governing body" means the following:

- (1) For an allocation area created under IC 6-1.1-39, the fiscal body of the county (as defined in IC 36-1-2-6).
- (2) For an allocation area created under IC 8-22-3.5, the commission (as defined in IC 8-22-3.5-2).
- (3) For an allocation area created under IC 8-25-14, the board (as defined in IC 8-25-1-5).**
- ~~(3)~~ **(4)** For an allocation area created under IC 36-7-14, the redevelopment commission.
- ~~(4)~~ **(5)** For an allocation area created under IC 36-7-14.5, the redevelopment authority.
- ~~(5)~~ **(6)** For an allocation area created under IC 36-7-15.1, the metropolitan development commission.
- ~~(6)~~ **(7)** For an allocation area created under IC 36-7-30, the military base reuse authority.
- ~~(7)~~ **(8)** For an allocation area created under IC 36-7-30.5, the military base development authority.

SECTION 10. IC 6-1.1-21.2-7, AS AMENDED BY P.L.146-2008, SECTION 236, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. As used in this chapter, "property taxes" means **the following**:

- (1) Property taxes, as defined in **the following**:
 - (A) IC 6-1.1-39-5(g).
 - (B) IC 8-25-1-10.**
 - ~~(B)~~ **(C)** IC 36-7-14-39(a).
 - ~~(C)~~ **(D)** IC 36-7-14-39.2.
 - ~~(D)~~ **(E)** IC 36-7-14-39.3(c).
 - ~~(E)~~ **(F)** IC 36-7-14.5-12.5.

- 1 ~~(F)~~ (G) IC 36-7-15.1-26(a).
 2 ~~(G)~~ (H) IC 36-7-15.1-26.2(c).
 3 ~~(H)~~ (I) IC 36-7-15.1-53(a).
 4 ~~(I)~~ (J) IC 36-7-15.1-55(c).
 5 ~~(J)~~ (K) IC 36-7-30-25(a)(3).
 6 ~~(K)~~ (L) IC 36-7-30-26(c).
 7 ~~(L)~~ (M) IC 36-7-30.5-30. ~~or~~
 8 ~~(M)~~ (N) IC 36-7-30.5-31. ~~or~~
 9 (2) For allocation areas created under IC 8-22-3.5, the taxes
 10 assessed on taxable tangible property in the allocation area.
 11 SECTION 11. IC 6-1.1-21.2-8, AS AMENDED BY P.L.146-2008,
 12 SECTION 237, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE UPON PASSAGE]: Sec. 8. As used in this chapter,
 14 "special fund" means **the following:**
 15 (1) The special funds referred to in IC 6-1.1-39-5.
 16 (2) The special funds referred to in IC 8-22-3.5-9(e).
 17 **(3) The special funds referred to in IC 8-25-14-6.**
 18 ~~(3)~~ (4) The allocation fund referred to in IC 36-7-14-39(b)(2).
 19 ~~(4)~~ (5) The allocation fund referred to in IC 36-7-14.5-12.5(d).
 20 ~~(5)~~ (6) The special fund referred to in IC 36-7-15.1-26(b)(2).
 21 ~~(6)~~ (7) The special fund referred to in IC 36-7-15.1-53(b)(2).
 22 ~~(7)~~ (8) The allocation fund referred to in IC 36-7-30-25(b)(2). ~~or~~
 23 ~~(8)~~ (9) The allocation fund referred to in IC 36-7-30.5-30(b)(2).
 24 SECTION 12. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007,
 25 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives
 27 under this chapter shall be used to:
 28 (1) replace the amount, if any, of property tax revenue lost due to
 29 the allowance of an increased homestead credit within the county;
 30 (2) fund the operation of a public communications system and
 31 computer facilities district as provided in an election, if any, made
 32 by the county fiscal body under IC 36-8-15-19(b);
 33 (3) fund the operation of a public transportation corporation as
 34 provided in an election, if any, made by the county fiscal body
 35 under IC 36-9-4-42;
 36 (4) make payments permitted under IC 36-7-15.1-17.5;
 37 (5) make payments permitted under subsection (i);
 38 (6) make distributions of distributive shares to the civil taxing
 39 units of a county; ~~and~~
 40 (7) make the distributions permitted under sections 27, 28, 29, 30,
 41 31, 32, and 33 of this chapter; **and**
 42 **(8) fund the operation or other projects of a regional**
 43 **transportation district as provided in an election, if any, made**
 44 **by a county fiscal body under IC 8-25-13-4.**
 45 (b) The county auditor shall retain from the payments of the county's
 46 certified distribution, an amount equal to the revenue lost, if any, due
 47 to the increase of the homestead credit within the county. This money

shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and

(2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive

shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 13. IC 6-3.5-7-5, AS AMENDED BY P.L.146-2008, SECTION 344, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on March 31 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on March 31 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) and ~~section~~ **sections 28 and 34** of this chapter, the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), (s), (v), (w), (x), or (y), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are

in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), (u), (w), (x), or (y), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after March 31 but before August 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect October 1 of this year."

(e) Any ordinance adopted under this chapter takes effect October 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five

hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate

and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county, resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-1-11.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year

1 may equal up to one and twenty-five hundredths percent (1.25%);
 2 if the county council makes a determination to impose rates under this
 3 subsection and section 27 of this chapter.

4 (s) Except as provided in subsection (p), the county economic
 5 development income tax rate plus the county adjusted gross income tax
 6 rate that are in effect on January 1 of a year may not exceed one and
 7 five-tenths percent (1.5%) if the county has imposed the county
 8 adjusted gross income tax under IC 6-3.5-1.1-3.3.

9 (t) This subsection applies to Howard County. Except as provided
 10 in subsection (p), the sum of the county economic development income
 11 tax rate and the county option income tax rate that are in effect on
 12 January 1 of a year may not exceed one and twenty-five hundredths
 13 percent (1.25%).

14 (u) This subsection applies to Scott County. Except as provided in
 15 subsection (p), the sum of the county economic development income
 16 tax rate and the county option income tax rate that are in effect on
 17 January 1 of a year may not exceed one and twenty-five hundredths
 18 percent (1.25%).

19 (v) This subsection applies to Jasper County. Except as provided in
 20 subsection (p), the sum of the county economic development income
 21 tax rate and the county adjusted gross income tax rate that are in effect
 22 on January 1 of a year may not exceed one and five-tenths percent
 23 (1.5%).

24 (w) An additional county economic development income tax rate
 25 imposed under section 28 **or 34** of this chapter may not be considered
 26 in calculating any limit under this section on the sum of:

- 27 (1) the county economic development income tax rate plus the
- 28 county adjusted gross income tax rate; or
- 29 (2) the county economic development tax rate plus the county
- 30 option income tax rate.

31 (x) The income tax rate limits imposed by subsection (c) or (y) or
 32 any other provision of this chapter do not apply to:

- 33 (1) a county adjusted gross income tax rate imposed under
- 34 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
- 35 (2) a county option income tax rate imposed under IC 6-3.5-6-30,
- 36 IC 6-3.5-6-31, or IC 6-3.5-6-32.

37 For purposes of computing the maximum combined income tax rate
 38 under subsection (c) or (y) or any other provision of this chapter that
 39 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this
 40 chapter, a county's county adjusted gross income tax rate or county
 41 option income tax rate for a particular year does not include the county
 42 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,
 43 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate
 44 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

45 (y) This subsection applies to Monroe County. Except as provided
 46 in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the
 47 sum of the county economic development income tax rate and the

1 county option income tax rate that are in effect on January 1 of a year
2 may not exceed one and twenty-five hundredths percent (1.25%).

3 SECTION 14. IC 6-3.5-7-34 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: **Sec. 34. (a) This section applies only to a county
6 that is a member of a regional transportation district established
7 under IC 8-25-2.**

8 **(b) In addition to the rates permitted by section 5 of this
9 chapter, the entity that imposed the county economic development
10 income tax under section 5 of this chapter (or, in the case of a
11 county that has not imposed the county economic development
12 income tax, the entity that may impose the county economic
13 development income tax under section 5(a)(3) of this chapter) may
14 by ordinance impose an additional county economic development
15 income tax at a rate of:**

16 **(1) twenty-five hundredths of one percent (0.25%); or**

17 **(2) five-hundredths of one percent (0.05%);**

18 **on the adjusted gross income of county taxpayers.**

19 **(c) If an additional county economic development income tax is
20 imposed under this section, the county treasurer shall establish a
21 county regional transportation district fund. Notwithstanding any
22 other provision of this chapter, the county economic development
23 income tax revenues derived from the additional county economic
24 development income tax imposed under this section must be
25 deposited in the county regional transportation district fund before
26 any certified distributions are made under section 12 of this
27 chapter.**

28 **(d) County economic development income tax revenues derived
29 from the additional county economic development income tax
30 imposed under this section and deposited in the county regional
31 transportation district fund:**

32 **(1) shall, not more than thirty (30) days after being deposited
33 in the county regional transportation district fund, be
34 transferred to the treasurer of the regional transportation
35 district for which the county is a member; and**

36 **(2) may not be considered by the department of local
37 government finance in determining the county's maximum
38 permissible property tax levy under IC 6-1.1-18.5.**

39 **(e) Notwithstanding sections 5 and 6 of this chapter, if a county
40 becomes a member of a regional transportation district under
41 IC 8-25-2 and imposes an additional county economic development
42 income tax under this section, then, notwithstanding section 11 or
43 any other provision of this chapter, the initial certified distribution
44 of the tax revenue and the certification in each subsequent year
45 that results from the additional tax shall be distributed to the
46 county treasurer from the account established for the county under
47 this chapter according to the following schedule during the
48 eighteen (18) month period beginning on July 1 of the year in**

1 which the county adopts the ordinance to impose the additional
2 tax:

3 (1) One-fourth (1/4) on October 1 of the year in which the
4 ordinance to impose the additional tax is adopted.

5 (2) One-fourth (1/4) on January 1 of the calendar year
6 following the year in which the ordinance to impose the
7 additional tax is adopted.

8 (3) One-fourth (1/4) on May 1 of the calendar year following
9 the year in which the ordinance to impose the additional tax
10 is adopted.

11 (4) One-fourth (1/4) on November 1 of the calendar year
12 following the year in which the ordinance to impose the
13 additional tax is adopted."

14 Page 5, between lines 33 and 34, begin a new paragraph and insert:
15 "SECTION 16. IC 6-9-41 IS ADDED TO THE INDIANA CODE
16 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]:

18 **Chapter 41. Public Transportation County Food and Beverage**
19 **Tax**

20 **Sec. 1. This chapter applies only to a county that is participating**
21 **in a regional transportation district established under IC 8-25-2.**

22 **Sec. 2. The definitions in IC 6-9-12-1 and IC 36-1-2 apply**
23 **throughout this chapter.**

24 **Sec. 3. (a) The fiscal body of a county described in section 1 of**
25 **this chapter may adopt an ordinance to impose an excise tax,**
26 **known as the food and beverage tax, on those transactions**
27 **described in sections 4 and 5 of this chapter that occur anywhere**
28 **within the county.**

29 **(b) The following apply if the fiscal body of the county imposes**
30 **a tax under this chapter:**

31 **(1) The rate of the tax is the rate set in the ordinance.**
32 **However, the rate may be set only at one (1) of the following**
33 **rates:**

34 **(A) Twenty-five hundredths of one percent (0.25%) of the**
35 **gross retail income on the transaction.**

36 **(B) Five-tenths of one percent (0.5%) of the gross retail**
37 **income on the transaction.**

38 **(C) Seventy-five hundredths of one percent (0.75%) of the**
39 **gross retail income on the transaction.**

40 **(D) One percent (1%) of the gross retail income on the**
41 **transaction.**

42 **For purposes of this chapter, the gross retail income received**
43 **by the retail merchant from such a transaction does not**
44 **include the amount of tax imposed on the transaction under**
45 **IC 6-2.5 or this article.**

46 **(2) The fiscal body shall immediately send a certified copy of**
47 **the ordinance to the commissioner of the department of state**
48 **revenue.**

1 **(3) The tax applies to transactions that occur after the last day**
 2 **of the month that follows the month in which the ordinance**
 3 **was adopted.**

4 **(4) The fiscal body may adopt an ordinance to rescind the tax.**
 5 **The rescission of the tax takes effect after the last day of the**
 6 **month that follows the month in which the ordinance to**
 7 **rescind the tax is adopted. However, the fiscal body may not**
 8 **rescind the tax if there are bonds outstanding or leases or**
 9 **other obligations for which the tax has been pledged under**
 10 **IC 36-7.5.**

11 **(5) The tax is in addition to any other food and beverage tax**
 12 **imposed in the same county.**

13 **Sec. 4. Except as provided in section 6 of this chapter, a tax**
 14 **imposed under section 3 of this chapter applies to any transaction**
 15 **in which food or beverage is furnished, prepared, or served:**

16 **(1) for consumption at a location, or on equipment, provided**
 17 **by a retail merchant;**

18 **(2) in the county or political subdivision, or both, in which the**
 19 **tax is imposed; and**

20 **(3) by a retail merchant for consideration.**

21 **Sec. 5. Transactions described in section 4(1) of this chapter**
 22 **include transactions in which food or beverage is:**

23 **(1) served by a retail merchant off the merchant's premises;**
 24 **(2) food sold in a heated state or heated by a retail merchant;**
 25 **(3) two (2) or more food ingredients mixed or combined by a**
 26 **retail merchant for sale as a single item (other than food that**
 27 **is only cut, repackaged, or pasteurized by the seller, and eggs,**
 28 **fish, meat, poultry, and foods containing these raw animal**
 29 **foods requiring cooking by the consumer as recommended by**
 30 **the federal Food and Drug Administration in chapter 3,**
 31 **subpart 3-401.11 of its Food Code so as to prevent food borne**
 32 **illnesses); or**

33 **(4) food sold with eating utensils provided by a retail**
 34 **merchant, including plates, knives, forks, spoons, glasses,**
 35 **cups, napkins, or straws (for purposes of this subdivision, a**
 36 **plate does not include a container or packaging used to**
 37 **transport the food).**

38 **Sec. 6. The food and beverage tax under this chapter does not**
 39 **apply to the furnishing, preparing, or serving of any food or**
 40 **beverage in a transaction that is exempt, or to the extent exempt,**
 41 **from the state gross retail tax imposed by IC 6-2.5.**

42 **Sec. 7. The tax imposed under this chapter shall be imposed,**
 43 **paid, and collected in the same manner that the state gross retail**
 44 **tax is imposed, paid, and collected under IC 6-2.5. However, the**
 45 **return to be filed for the payment of the taxes may be made on**
 46 **separate returns or may be combined with the return filed for the**
 47 **payment of the state gross retail tax, as prescribed by the**
 48 **department of state revenue.**

1 **Sec. 8. (a) The entire amount received from the taxes imposed**
 2 **by a county under this chapter shall be paid monthly by the**
 3 **treasurer of state to the treasurer of the regional transportation**
 4 **district established in the county under IC 8-25-2.**

5 **(b) The taxes paid under this chapter shall be paid to the**
 6 **treasurer of a regional transportation district established in the**
 7 **county under IC 8-25-2 on not less than a quarterly basis.**

8 SECTION 17. IC 8-23-1-19.5 IS ADDED TO THE INDIANA
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. "Deputy commissioner"**
 11 **refers to the deputy commissioner of the department appointed**
 12 **under IC 8-23-2-2.5.**

13 SECTION 18. IC 8-23-1-33.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE UPON PASSAGE]: **Sec. 33.5. "Public transportation**
 16 **agency" has the meaning set forth in IC 8-25-1-11.**

17 SECTION 19. IC 8-23-2-2.5 IS ADDED TO THE INDIANA CODE
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 19 UPON PASSAGE]: **Sec. 2.5. (a) The governor shall appoint a**
 20 **deputy commissioner for the department to assist the**
 21 **commissioner with the implementation of the public transportation**
 22 **responsibilities of the department.**

23 **(b) The deputy commissioner:**

24 **(1) shall be employed solely on the basis of ability, taking into**
 25 **account the individual's qualifications to perform the duties**
 26 **of the individual's position;**

27 **(2) shall be employed regardless of political affiliation;**

28 **(3) may not be appointed, promoted, reduced, removed, or in**
 29 **any way favored or discriminated against because of the**
 30 **individual's political affiliation, race, religion, color, sex,**
 31 **national origin, or ancestry;**

32 **(4) is ineligible to hold, or be a candidate for, elected office (as**
 33 **defined in IC 3-5-2-17) while employed by the department;**

34 **(5) may not solicit or receive political contributions;**

35 **(6) may not be required to make contributions for or**
 36 **participate in political activities;**

37 **(7) serves at the pleasure of the governor; and**

38 **(8) is entitled to receive compensation set by the budget**
 39 **agency.**

40 **(c) The deputy commissioner shall do the following:**

41 **(1) Work with the public transportation agencies to develop**
 42 **a comprehensive long range plan that will meet present and**
 43 **future public transit needs.**

44 **(2) Work with the public transportation agencies to create a**
 45 **reliable, accessible, and cost effective service through the**
 46 **territory of the public transportation agencies.**

(3) Develop and maintain effective communications between the public transportation agencies and the department.

SECTION 20. IC 8-23-2-5, AS AMENDED BY P.L.35-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The department, through the commissioner or the commissioner's designee, shall:

(1) develop, continuously update, and implement:

(A) long range comprehensive transportation plans;

(B) work programs; and

(C) budgets;

to assure the orderly development and maintenance of an efficient statewide system of transportation;

(2) implement the policies, plans, and work programs adopted by the department;

(3) organize by creating, merging, or abolishing divisions;

(4) evaluate and utilize whenever possible improved transportation facility maintenance and construction techniques;

(5) carry out public transportation responsibilities, including:

(A) developing and recommending public transportation policies, plans, and work programs;

(B) providing technical assistance and guidance in the area of public transportation to **public transportation agencies and other** political subdivisions; ~~with public transportation responsibilities;~~

(C) developing work programs for the utilization of federal mass transportation funds **and other federal funds available for public transportation purposes;**

(D) furnishing data from surveys, plans, specifications, and estimates required to qualify a state agency, **public transportation agency**, or political subdivision for federal mass transportation funds **or other federal funds available for public transportation purposes;**

(E) conducting or participating in any public hearings to qualify urbanized areas, **public transportation agencies, and political subdivisions** for an allocation of federal mass transportation funding **or other federal funds available for public transportation purposes;**

(F) serving, upon designation of the governor, as the state agency to receive and disburse any state or federal mass transportation funds that are not directly allocated to an urbanized area, **a public transportation agency, or a political subdivision;**

(G) entering into agreements with **public transportation agencies, political subdivisions**, other states, regional agencies created in other states, and municipalities in other states for the purpose of improving public transportation service to the citizens; and

- 1 (H) developing and including in its own proposed
 2 transportation plan a specialized transportation services plan
 3 for the elderly and persons with disabilities;
 4 (6) provide technical assistance to units of local government with
 5 road and street responsibilities;
 6 (7) develop, undertake, and administer the program of research
 7 and extension required under IC 8-17-7;
 8 (8) allow public testimony in accordance with section 17 of this
 9 chapter whenever the department holds a public hearing (as
 10 defined in section 17 of this chapter); and
 11 (9) adopt rules under IC 4-22-2 to reasonably and cost effectively
 12 manage the right-of-way of the state highway system by
 13 establishing a formal procedure for highway improvement
 14 projects that involve the relocation of utility facilities by
 15 providing for an exchange of information among the department,
 16 utilities, and the department's highway construction contractors.
 17 (b) Rules adopted under subsection (a)(9) shall not unreasonably
 18 affect the cost, or impair the safety or reliability, of a utility service.
 19 (c) A civil action may be prosecuted by or against the department,
 20 a department highway construction contractor or a utility to recover
 21 costs and expenses directly resulting from willful violation of the rules.
 22 Nothing in this section or in subsection (a)(9) shall be construed as
 23 granting authority to the department to adopt rules establishing fines,
 24 assessments or other penalties for or against utilities or the
 25 department's highway construction contractors."
 26 Page 36, between lines 28 and 29, begin a new paragraph and insert:
 27 "SECTION 22. IC 8-25 IS ADDED TO THE INDIANA CODE AS
 28 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON
 29 PASSAGE]:
 30 **ARTICLE 25. REGIONAL TRANSPORTATION DISTRICTS**
 31 **Chapter 1. Application; Purpose; Definitions**
 32 **Sec. 1. (a) This article does not apply to a county that is located**
 33 **in the territory of the northern Indiana regional transportation**
 34 **district established by IC 8-24-2-1.**
 35 **(b) The purpose of this article is to provide a flexible means of**
 36 **planning, designing, acquiring, constructing, enlarging, improving,**
 37 **renovating, maintaining, equipping, financing, operating, and**
 38 **supporting public transportation systems that can be adapted to**
 39 **the unique circumstances existing in different parts of Indiana.**
 40 **Sec. 2. The definitions in this chapter apply throughout this**
 41 **article.**
 42 **Sec. 3. "Allocation area" means the part of an area to which an**
 43 **allocation provision of a declaratory resolution adopted under**
 44 **IC 8-25-14-1 refers for purposes of distribution and allocation of**
 45 **property taxes.**
 46 **Sec. 4. "Base assessed value" means the sum of:**

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution; plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision;

as adjusted by the department of local government finance under IC 8-25-14-5.

Sec. 5. "Board" refers to a regional transportation board established under IC 8-25-4 for a district.

Sec. 6. "Bonds" means, except as otherwise provided, bonds, notes, or other evidences of indebtedness issued by a district.

Sec. 7. "District" refers to a regional transportation district established under IC 8-25-2.

Sec. 8. "Executive director" refers to the executive director of the district.

Sec. 9. "Project" refers to an action taken to:

- (1) plan;
- (2) design;
- (3) acquire;
- (4) construct;
- (5) enlarge;
- (6) improve;
- (7) renovate;
- (8) maintain;
- (9) equip; or
- (10) operate;

a public transportation system.

Sec. 10. "Property taxes" refers to taxes imposed under IC 6-1.1 on:

- (1) real property; and
- (2) depreciable personal property that has a useful life in excess of eight (8) years, if the board adopts a resolution under IC 8-25-14-1 to include within the term property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years.

The board may, by resolution, determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of "property taxes". However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property. The term does not include property taxes imposed for a fire protection district established under IC 36-8-11 or taxes imposed on the depreciable personal property

1 of a street rail car company, a sleeping car company, or another
2 rail car company that is subject to IC 6-1.1-8.

3 Sec. 11. "Public transportation agency" means a county, city, or
4 town, or any other entity that operates or otherwise carries out a
5 project for a public transportation system in Indiana. The term
6 includes the following:

7 (1) A commuter transportation district established under
8 IC 8-5-15.

9 (2) An automated transit district established under IC 8-9.5-7.

10 (3) Another district.

11 (4) The northwest Indiana regional development authority
12 established under IC 36-7.5.

13 (5) A regional development authority established under
14 IC 36-7.6.

15 (6) A regional transportation authority established under
16 IC 36-9-3-2.

17 (7) A regional bus authority under IC 36-9-3-2(c).

18 (8) A public transportation corporation established under
19 IC 36-9-4.

20 Sec. 12. "Public transportation system" means any common
21 carrier of passengers for hire.

22 Chapter 2. Establishment

23 Sec. 1. The fiscal body of a county may, by resolution, establish
24 a regional transportation district. Two (2) or more counties may
25 jointly establish a district by adopting identical resolutions. A
26 district may be expanded to include one (1) or more additional
27 counties if resolutions approving the expansion are adopted by the
28 fiscal bodies of:

29 (1) each of the counties to be added to the district; and

30 (2) a majority of the counties in the district.

31 Sec. 2. (a) A county that participates in a district must be a
32 member of the district for at least ten (10) years after the date the
33 county becomes a member.

34 (b) At least twelve (12) months and not more than eighteen (18)
35 months before the end of a ten (10) year period, the fiscal body of
36 a county participating in the district must adopt a resolution that:

37 (1) commits the county to an additional ten (10) years as a
38 member of the district, beginning at the end of the current ten

39 (10) year period; or

40 (2) withdraws the county from membership in the district not
41 earlier than the end of the current ten (10) year period.

42 (c) The fiscal body of a county that participates in the district
43 must adopt a resolution under subsection (b) during each ten (10)
44 year period in which the county is a member of the board.

45 (d) A county may withdraw from a district as provided in this
46 section only with the approval of the board.

47 (e) If at the end of a ten (10) year period a county withdraws
48 from the district under this section:

1 (1) the terms of members of the board from that county and
 2 any city in that county are terminated upon the effective date
 3 of the withdrawal of the county; and

4 (2) the county and each city in the county continue to be liable
 5 to the district for the amounts that would have otherwise been
 6 due from the county and each city in the county for any:

7 (A) unpaid transfers to the district that became due before
 8 the withdrawal of the county or city from the district is
 9 effective; and

10 (B) amounts due under any bonds issued or lease rental
 11 agreements entered into before the withdrawal of the
 12 county from the district is effective.

13 Sec. 3. If an existing public transportation agency operates
 14 within the boundaries of a district, the legislative body that
 15 established the public transportation agency may adopt a
 16 resolution to shift any of the public transportation powers of the
 17 public transportation agency to the district.

18 Sec. 4. A public transportation agency may merge with a district
 19 on the terms jointly agreed to by the governing body of the district
 20 and the public transportation agency. However, the merger of two
 21 (2) or more districts must comply with section 1 of this chapter. A
 22 merger under this section does not transfer to the district any
 23 powers that are not public transportation powers.

24 Chapter 3. Status

25 Sec. 1. A district is a body corporate and politic. A district is
 26 separate from the state and any other political subdivision, but the
 27 exercise by the district of its powers is an essential governmental
 28 function.

29 Sec. 2. All the incorporated and unincorporated area in a county
 30 that becomes a member of a district is included in the district.

31 Sec. 3. A pledge or mortgage of a district does not create an
 32 obligation of the state or a political subdivision within the meaning
 33 of the Constitution of the State of Indiana or any statute.

34 Sec. 4. All:

35 (1) property owned by a district;

36 (2) revenue of a district; and

37 (3) bonds issued by a district, the interest on the bonds, the
 38 proceeds received by a holder from the sale of bonds to the
 39 extent of the holder's cost of acquisition, proceeds received
 40 upon redemption before maturity, proceeds received at
 41 maturity, and the receipt of interest in proceeds;

42 are exempt from taxation in Indiana for all purposes except the
 43 financial institutions tax imposed under IC 6-5.5 or a state
 44 inheritance tax imposed under IC 6-4.1.

45 Sec. 5. All securities issued under this article are exempt from
 46 the registration requirements of IC 23-19 and other securities
 47 registration statutes.

1 **Sec. 6. (a) This section does not apply to interurban or interstate**
 2 **public transportation service.**

3 **(b) Service provided by the district within the territory of the**
 4 **district is exempt from regulation by the department of state**
 5 **revenue under IC 8-2.1. This exemption applies to transportation**
 6 **services provided by the district directly or by grants or purchase**
 7 **of service agreements.**

8 **(c) Service provided by the district by contract or service**
 9 **agreements outside the territory of the district is subject to**
 10 **regulation by the department of state revenue under IC 8-2.1.**

11 **(d) The department of state revenue shall hear appeals**
 12 **concerning any regulatory action of the district concerning service**
 13 **and rates, and, after making a finding based on the requirements**
 14 **of IC 8-2.1, issue an appropriate order. Judicial review of the**
 15 **commission decision may be obtained in the manner prescribed by**
 16 **IC 4-21.5-5.**

17 **Chapter 4. Board**

18 **Sec. 1. The power to govern the district is vested in a regional**
 19 **transportation board.**

20 **Sec. 2. The board is composed of the following members:**

21 **(1) One (1) member from the fiscal body for each**
 22 **participating county, appointed by the president of the county**
 23 **fiscal body.**

24 **(2) One (1) member of the county executive in a participating**
 25 **county, appointed by the president of the county executive**
 26 **board.**

27 **(3) One (1) member from the fiscal body for each city in a**
 28 **participating county (other than a city in a county with a**
 29 **consolidated city), appointed by the president of the fiscal**
 30 **body of the city.**

31 **Sec. 3. A member of a board must be a resident of the unit that**
 32 **appointed the member.**

33 **Sec. 4. A member of a board serves at the pleasure of the**
 34 **appointing authority.**

35 **Sec. 5. If a participating unit fails to make an appointment to the**
 36 **board within sixty (60) days after the participating unit becomes a**
 37 **member of the district or within sixty (60) days after the position**
 38 **becomes vacant, the appointment shall be made by the governor.**

39 **Sec. 6. A member of a board is not entitled to receive**
 40 **compensation for performance of the member's duties. However,**
 41 **a member of the board is entitled to a per diem from the district**
 42 **for the member's participation in board meetings. The amount of**
 43 **the per diem is equal to the amount of the per diem provided under**
 44 **IC 4-10-11-2.1(b).**

45 **Sec. 7. A majority of the members appointed to a board**
 46 **constitutes a quorum for a meeting.**

1 **Sec. 8. The affirmative votes of at least a majority of the**
 2 **appointed members of a board are necessary to authorize any**
 3 **action of the district.**

4 **Sec. 9. A board shall elect a chair of the board and any other**
 5 **officers that the board determines appropriate.**

6 **Sec. 10. A board shall meet at least quarterly.**

7 **Sec. 11. The chair of a board or any two (2) members of the**
 8 **board may call a meeting of the board. The mayor of the city with**
 9 **the largest population in the district shall call the initial meeting of**
 10 **the board for a date that is not more than sixty (60) days after the**
 11 **board is initially established.**

12 **Sec. 12. The board may adopt the bylaws and rules that the**
 13 **board considers necessary for the proper conduct of the board's**
 14 **duties and the safeguarding of the district's funds and property.**

15 **Chapter 5. General Powers**

16 **Sec. 1. The district shall exercise the powers granted to the**
 17 **district by this article to carry out the purposes of the district.**

18 **Sec. 2. The district may sue and be sued in the name of the**
 19 **district.**

20 **Sec. 3. The district may determine matters of policy regarding**
 21 **internal organization and operating procedures not specifically**
 22 **provided for by law.**

23 **Sec. 4. The district may employ the personnel necessary to carry**
 24 **out the duties, functions, and powers of the district.**

25 **Sec. 5. The district may fix the compensation of the various**
 26 **officers and employees of the district, within the limitations of the**
 27 **total personal services budget.**

28 **Sec. 6. The district may adopt rules governing the duties of its**
 29 **officers, employees, and personnel, and the internal management**
 30 **of the affairs of the district.**

31 **Sec. 7. The district may protect all property owned or managed**
 32 **by the district and procure insurance against any losses in**
 33 **connection with its property, operations, or assets in amounts and**
 34 **from insurers as it considers desirable.**

35 **Sec. 8. Subject to this article, the district may borrow money,**
 36 **make guaranties, issue bonds, and otherwise incur indebtedness for**
 37 **any of the district's purposes, and issue debentures, notes, or other**
 38 **evidences of indebtedness, whether secured or unsecured, to any**
 39 **person, as provided by the affected statutes.**

40 **Sec. 9. The district may acquire real, personal, or mixed**
 41 **property by deed, purchase, or lease and dispose of it for use in**
 42 **connection with or for the purposes of the district, including**
 43 **supplies, materials, and equipment to carry out the duties and**
 44 **functions of the district.**

45 **Sec. 10. The district may receive gifts, donations, bequests, and**
 46 **public trusts, agree to conditions and terms accompanying them,**
 47 **and bind the district to carry them out.**

1 **Sec. 11. (a) The district may receive federal or state aid and**
 2 **administer that aid.**

3 **(b) The district may comply with federal statutes and rules**
 4 **concerning the expenditure of federal money for public**
 5 **transportation systems. The board may apply to state and federal**
 6 **agencies for grants for public transportation development, make**
 7 **or execute representations, assurances, and contracts, enter into**
 8 **covenants and agreements with any state or federal agency relative**
 9 **to public transportation systems, and comply with federal and state**
 10 **statutes and rules concerning the acquisition, development,**
 11 **operation, and administration of public transportation systems.**

12 **(c) The district may use money received by the district that is**
 13 **not pledged or restricted for another purpose to provide a local**
 14 **match required for the receipt of any federal funds.**

15 **Sec. 12. The district may adopt a schedule of reasonable charges**
 16 **and rents, and collect them from all users of facilities and services**
 17 **within the jurisdiction of the district.**

18 **Sec. 13. The district may purchase public transportation**
 19 **services from public or private transportation agencies upon the**
 20 **terms and conditions set forth in purchase of service agreements**
 21 **between the district and the transportation agencies.**

22 **Sec. 14. The district may acquire, establish, construct, renovate,**
 23 **improve, equip, operate, maintain, finance, subsidize, lease, and**
 24 **regulate public transportation systems serving the district.**

25 **Sec. 15. The district may make, execute, and enforce contracts**
 26 **and all other instruments necessary, convenient, or desirable for**
 27 **the purposes of the district or pertaining to:**

28 **(1) a purchase, acquisition, or sale of securities or other**
 29 **investments related to a project; or**

30 **(2) the performance of the district's duties and execution of**
 31 **any of the districts's powers;**

32 **including public-private agreements (as defined in IC 5-23-2-13).**

33 **Sec. 16. The district may enter into agreements with**
 34 **government agencies, political subdivisions, private transportation**
 35 **companies, railroads, and other persons providing for:**

36 **(1) construction, improvement, renovation, operation,**
 37 **maintenance, and use by the other party of any public**
 38 **transportation system and equipment held or later acquired**
 39 **by the district; and**

40 **(2) acquisition of any public transportation system and**
 41 **equipment of another party if all or part of the operations of**
 42 **that party take place within the jurisdiction of the district.**

43 **Sec. 17. The district may lease to others for development or**
 44 **operation all or any part of the property of the district on the**
 45 **terms and conditions as the board considers advisable.**

46 **Sec. 18. The district may invest money not immediately needed**
 47 **for a project as provided in a resolution, agreement, or trust**
 48 **agreement of the board.**

1 **Sec. 19. A district may enter into an agreement with another**
 2 **district or any other entity to:**

3 (1) jointly equip, own, lease, and finance projects and
 4 facilities; or

5 (2) otherwise carry out the purposes of the district;
 6 in any location.

7 **Sec. 20. The district may rent or lease any real property,**
 8 **including air rights above real property owned or leased by a**
 9 **transportation system, for transportation or other purposes, with**
 10 **the revenues from those rentals to accrue to the district and to be**
 11 **used exclusively for the purposes of this article.**

12 **Sec. 21. The district may sell, lease, or otherwise contract for**
 13 **advertising in or on the facilities of the district.**

14 **Sec. 22. The district may administer any rail services or other**
 15 **use of rail rights-of-way that may be the responsibility of state or**
 16 **local government under the Federal Regional Rail Reorganization**
 17 **Act of 1973, as amended (45 U.S.C. 701 through 45 U.S.C. 794).**

18 **Sec. 23. The district may determine the level and kind of public**
 19 **transportation services to be provided by the district.**

20 **Sec. 24. The district may make grants and loans to and purchase**
 21 **securities of any public transportation agency to carry out the**
 22 **public transportation purposes of the district.**

23 **Sec. 25. The district may do all other acts necessary or**
 24 **reasonably incident to carrying out the purposes of this article.**

25 **Chapter 6. Administration**

26 **Sec. 1. The board shall adopt an annual budget for the district.**

27 **Sec. 2. The district may establish the funds and accounts that**
 28 **the district determines necessary. The district shall account for**
 29 **revenues as required to comply with the requirements specified in**
 30 **any agreement with a bondholder or other agreement.**

31 **Sec. 3. The district is subject to audit under IC 5-11-1.**

32 **Sec. 4. A district shall before April 1 of each year issue a report**
 33 **to the legislative council, the budget committee, and the governor**
 34 **concerning the operations and activities of the district during the**
 35 **preceding calendar year. The report to the legislative council must**
 36 **be in an electronic format under IC 5-14-6.**

37 **Sec. 5. The board shall appoint an executive director to manage**
 38 **the district.**

39 **Sec. 6. The board may establish the advisory committees that**
 40 **the board determines to be advisable.**

41 **Sec. 7. All employees of the district:**

42 (1) shall be employed solely on the basis of ability, taking into
 43 account their qualifications to perform the duties of their
 44 positions;

45 (2) shall be employed regardless of political affiliation;

46 (3) may not be appointed, promoted, reduced, removed, or in
 47 any way favored or discriminated against because of their

political affiliation, race, religion, color, sex, national origin, or ancestry;

(4) are ineligible to hold, or be a candidate for, elected office (as defined in IC 3-5-2-17) while employed by the district;

(5) may not solicit or receive political contributions;

(6) may not be required to make contributions for or participate in political activities;

(7) shall be employed on a six (6) month probationary period, with a written evaluation prepared after five (5) months of service by their immediate supervisor for the executive director to determine if employment should continue beyond the probationary period; and

(8) shall be evaluated annually in writing by their immediate supervisor to advise the executive director as to whether the employees should remain in their positions.

Chapter 7. Procurement

Sec. 1. A district shall comply with IC 5-16-7 (common construction wage), IC 5-22 (public purchasing), IC 36-1-12 (public work projects), and any applicable federal bidding statutes and regulations.

Sec. 2. An entity that receives a loan, a grant, or other financial assistance from a district or enters into a lease with a district must comply with applicable federal, state, and local public purchasing and bidding laws and regulations. However, a purchasing agency (as defined in IC 5-22-2-25) of a political subdivision may:

(1) assign or sell a lease for property to a district; or

(2) enter into a lease for property with a district;

at any price and under any other terms and conditions as may be determined by the entity and the district. However, before making an assignment or a sale of a lease or entering into a lease under this section that would otherwise be subject to IC 5-22, the political subdivision or its purchasing agent must obtain or cause to be obtained a purchase price for the property to be subject to the lease from the lowest responsible and responsive bidder in accordance with the requirements for the purchase of supplies under IC 5-22.

Sec. 3. With respect to projects undertaken by a district, the district shall set a goal for participation by minority business enterprises and women's business enterprises. The goals must be consistent with:

(1) the participation goals established by the counties and municipalities that are members of the district; and

(2) the goals of delivering the project on time and within the budgeted amount and, insofar as possible, using Indiana businesses for employees, goods, and services.

Sec. 4. If a district is unable to agree with the owners, lessees, or occupants of any real property selected for the purposes of this article, the district may proceed under IC 32-24-1 to procure the

condemnation of the property. The district may not institute a proceeding until it has adopted a resolution that:

- (1) describes the real property sought to be acquired and the public purposes for which the real property is to be used;
- (2) declares that the public interest and necessity require the acquisition by the district of the property involved; and
- (3) sets out any other facts that the district considers necessary or pertinent.

The resolution is conclusive evidence of the public necessity of the proposed acquisition.

Chapter 8. Planning

Sec. 1. After reviewing the transportation plans of the Indiana department of transportation and regional and other planning agencies, a district shall develop, continuously update, and implement long range comprehensive transportation plans to ensure the orderly development and maintenance of an efficient system of public transportation in the district.

Sec. 2. A district shall prepare a comprehensive strategic development plan that will meet present and future public transit needs and that includes detailed information concerning the following:

- (1) The proposed projects to be undertaken or financed by the district.
- (2) The following information for each project included under subdivision (1):
 - (A) Time line and budget.
 - (B) The return on investment.
 - (C) The projected or expected need for an ongoing subsidy.
 - (D) Any projected or expected federal matching funds.

Sec. 3. The district shall, not later than January 1 of the second year following the year in which the district is established, submit the comprehensive strategic development plan for review by the budget committee.

Sec. 4. The district may enter into agreements with other persons to participate in transportation planning activities.

Chapter 9. Acquisition and Construction of Public Transportation Facilities

Sec. 1. The district may:

- (1) construct or acquire any public transportation facility for use by the district or any transportation agency; and
- (2) acquire transportation facilities from any transportation agency, including:
 - (A) reserve funds;
 - (B) employees' pension or retirement funds;
 - (C) special funds;
 - (D) franchises;
 - (E) licenses;
 - (F) patents;

1 (G) permits; and

2 (H) papers and records of the agency.

3 In making acquisitions from a transportation agency, the district
4 may assume the obligations of the agency regarding its property or
5 public transportation operations.

6 Sec. 2. The district may acquire, improve, maintain, lease, and
7 rent facilities, including air rights, that are within one hundred
8 (100) yards of a terminal, station, or other facility of the district. If
9 these facilities generate revenues that exceed their cost to the
10 district, the district must use the excess revenues to improve
11 transportation services or reduce fares for the public.

12 Chapter 10. Operation of Public Transportation Facilities

13 Sec. 1. The district may provide public transportation service by
14 operating public transportation facilities only if the board finds
15 that no public or private transportation agency or corporation is
16 willing or able to provide public transportation service.

17 Sec. 2. The district may enter into operating agreements with
18 any private or public person to operate transportation facilities on
19 behalf of the district only after the board has made an affirmative
20 effort to seek out and encourage private owners and operators to
21 provide the needed public transportation service.

22 Sec. 3. Whenever the district provides any public transportation
23 service by operating public transportation facilities, it shall
24 establish the level and nature of fares or charges to be made for
25 public transportation services, and the nature and standards of
26 public transportation service to be provided within the jurisdiction
27 of the district.

28 Sec. 4. The board shall, to the extent it considers feasible, adopt
29 uniform standards for the making of grants and purchase of
30 service agreements. These grant contracts or purchase of service
31 agreements may be for the number of years or duration agreed to
32 by the district and the transportation agency.

33 Sec. 5. If the district provides grants for operating expenses or
34 participates in any purchase of service agreement, the purchase of
35 service agreement or grant contract must state the level and nature
36 of fares or charges to be made for public transportation services,
37 and the nature and standards of public transportation to be so
38 provided. In addition, any purchase of service agreements or grant
39 contracts must provide, among other matters, for:

- 40 (1) the terms or cost of transfers or interconnections between
- 41 different public transportation agencies;
- 42 (2) schedules or routes of transportation service;
- 43 (3) changes that may be made in transportation service;
- 44 (4) the nature and condition of the facilities used in providing
- 45 service;
- 46 (5) the manner of collection and disposition of fares or
- 47 charges;

(6) the records and reports to be kept and made concerning transportation service; and

(7) interchangeable tickets or other coordinated or uniform methods of collection of charges.

The district shall also undertake programs to promote use of public transportation and to provide ticket sales and passenger information.

Chapter 11. Bonds

Sec. 1. (a) A district may issue bonds to obtain money to pay the cost of:

(1) acquiring real or personal property, including existing capital improvements;

(2) acquiring, constructing, improving, reconstructing, or renovating one (1) or more projects; or

(3) funding or refunding bonds or other evidences of indebtedness issued under this article, IC 8-5-15, IC 8-9.5-7, IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior law.

(b) The bonds are payable solely from:

(1) the lease rentals from the lease of the projects for which the bonds were issued, insurance proceeds, and any other funds pledged or available; and

(2) to the extent designated in the agreements for the bonds, revenue received by the district and amounts deposited in a district fund.

(c) The bonds must be authorized by a resolution of the board of the district that issues the bonds.

(d) The terms and form of the bonds must either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds must mature within forty (40) years.

(f) A board may sell the bonds only:

(1) to the Indiana bond bank established by IC 5-1.5-2-1 upon the terms determined by the board and the Indiana bond bank;

(2) to the Indiana finance authority created by IC 4-4-11-4 upon the terms determined by the development board and the Indiana finance authority; or

(3) in the manner and for the price as the board may determine to be in the best interest of the district, either at public sale under IC 5-1-11 or at private sale.

(g) All money received from any bonds issued under this article shall be applied solely to the payment of the cost of acquiring, constructing, improving, reconstructing, or renovating one (1) or more projects, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

- (1) planning and development of equipment or a facility and all buildings, facilities, structures, equipment, and improvements related to the facility;
- (2) acquisition of a site and clearing and preparing the site for construction;
- (3) equipment, facilities, structures, and improvements that are necessary or desirable to make the project suitable for use and operations;
- (4) architectural, engineering, consultant, and attorney's fees;
- (5) incidental expenses in connection with the issuance and sale of bonds;
- (6) reserves for principal and interest;
- (7) interest during construction;
- (8) financial advisory fees;
- (9) insurance during construction;
- (10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
- (11) in the case of refunding or refinancing, payment of the principal of, redemption premiums (if any) for, and interest on the bonds being refunded or refinanced.

Sec. 2. This article contains full and complete authority for the issuance of bonds. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by a development board or any other officer, department, agency, or instrumentality of the state or of any political subdivision is required to issue any bonds, except as prescribed in this article.

Sec. 3. (a) A district may secure bonds issued under this article by a trust indenture between the district and a corporate trustee, which may be any trust company or national or state bank in Indiana that has trust powers.

(b) The trust indenture may:

- (1) pledge or assign revenue received by the district, amounts deposited in a district fund, and lease rentals, receipts, and income from leased projects, but may not mortgage land or projects;
- (2) contain reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the district and board;
- (3) set forth the rights and remedies of bondholders and trustees; and
- (4) restrict the individual right of action of bondholders.

(c) Any pledge or assignment made by the district under this section is valid and binding in accordance with IC 5-1-14-4 from the time that the pledge or assignment is made, against all persons whether they have notice of the lien. Any trust indenture by which a pledge is created or an assignment made need not be filed or

1 recorded. The lien is perfected against third parties in accordance
2 with IC 5-1-14-4.

3 Sec. 4. (a) Bonds issued under IC 8-5-15, IC 8-9.5-7, IC 8-22-3,
4 IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior law may be
5 refunded as provided in this section.

6 (b) A public transportation agency may:

7 (1) lease all or a part of land or a project or projects to a
8 district, which may be at a nominal lease rental with a lease
9 back to the public transportation agency, conditioned upon
10 the district assuming bonds issued under IC 8-5-15,
11 IC 8-9.5-7, IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3,
12 IC 36-9-4, or prior law and issuing its bonds to refund those
13 bonds; and

14 (2) sell all or a part of land or a project or projects to a
15 district for a price sufficient to provide for the refunding of
16 those bonds and lease back the land or project or projects
17 from the district.

18 Sec. 5. Bonds issued under this article are legal investments for
19 private trust funds and the funds of banks, trust companies,
20 insurance companies, building and loan associations, credit unions,
21 savings banks, private banks, loan and trust and safe deposit
22 companies, rural loan and savings associations, guaranty loan and
23 savings associations, mortgage guaranty companies, small loan
24 companies, industrial loan and investment companies, and other
25 financial institutions organized under Indiana law.

26 Sec. 6. An action to contest the validity of bonds to be issued
27 under this article may not be brought after the time limitations set
28 forth in IC 5-1-14-13.

29 Sec. 7. The general assembly covenants that it will not:

30 (1) repeal or amend this article in a manner that would
31 adversely affect owners of outstanding bonds, or the payment
32 of lease rentals, secured by the amounts pledged under this
33 article; or

34 (2) in any way impair the rights of owners of bonds of a
35 district, or the owners of bonds secured by lease rentals or by
36 a pledge of revenues under this article.

37 Chapter 12. Leases and Agreements With Public 38 Transportation Agencies

39 Sec. 1. (a) Before a lease may be entered into by a public
40 transportation agency under this article, the public transportation
41 agency must find that the lease rental provided for is fair and
42 reasonable.

43 (b) A lease of land or a project from a district to a public
44 transportation agency:

45 (1) may not have a term exceeding forty (40) years;

46 (2) may not require payment of lease rentals for a newly
47 constructed project or for improvements to an existing

project until the project or improvements to the project have been completed and are ready for occupancy or use;

(3) may contain provisions:

(A) allowing the public transportation agency to continue to operate an existing project until completion of the acquisition, improvements, reconstruction, or renovation of that project or any other project; and

(B) requiring payment of lease rentals for land, for an existing project being used, reconstructed, or renovated, or for any other existing project;

(4) may contain an option to renew the lease for the same or a shorter term on the conditions provided in the lease;

(5) must contain an option for the public transportation agency to purchase the project upon the terms stated in the lease during the term of the lease for a price equal to the amount required to pay all indebtedness incurred on account of the project, including indebtedness incurred for the refunding of that indebtedness;

(6) may be entered into before acquisition or construction of a project;

(7) may provide that the public transportation agency shall agree to:

(A) pay any taxes and assessments on the project;

(B) maintain insurance on the project for the benefit of the district;

(C) assume responsibility for utilities, repairs, alterations, and any costs of operation; and

(D) pay a deposit or series of deposits to the district from any funds available to the public transportation agency before the commencement of the lease to secure the performance of the public transportation agency's obligations under the lease; and

(8) must provide that the lease rental payments by the public transportation agency shall be made from the district and may provide that the lease rental payments by the public transportation agency shall be made from:

(A) net revenues of the project;

(B) any other funds available to the public transportation agency; or

(C) both sources described in clauses (A) and (B).

Sec. 2. This article contains full and complete authority for leases between a district and a public transportation agency. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by a district or the public transportation agency or any other officer, department, agency, or instrumentality of the state or any political subdivision is required to enter into any lease, except as prescribed in this article.

1 **Sec. 3. If a lease provides for a project or improvements to a**
 2 **project to be constructed by a district, the plans and specifications**
 3 **shall be submitted to and approved by all agencies designated by**
 4 **law to pass on plans and specifications for public buildings.**

5 **Sec. 4. A district and a public transportation agency may enter**
 6 **into common wall (party wall) agreements or other agreements**
 7 **concerning easements or licenses. These agreements shall be**
 8 **recorded with the recorder of the county in which the project is**
 9 **located.**

10 **Sec. 5. (a) A public transportation agency may lease for a**
 11 **nominal lease rental, or sell to a district, one (1) or more projects**
 12 **or parts of a project or land on which a project is located or is to**
 13 **be constructed.**

14 **(b) Any lease of all or a part of a project by a public**
 15 **transportation agency to a district must be for a term equal to the**
 16 **term of the lease of that project back to the public transportation**
 17 **agency.**

18 **(c) A public transportation agency may sell property to a**
 19 **district for the amount the eligible political subdivision determines**
 20 **to be in the best interest of the public transportation agency. The**
 21 **district may pay that amount from the proceeds of bonds of the**
 22 **district.**

23 **Sec. 6. If a public transportation agency exercises its option to**
 24 **purchase leased property, the eligible political subdivision may**
 25 **issue its bonds as authorized by statute.**

26 **Chapter 13. Accounts; Revenues**

27 **Sec. 1. Each public transportation agency, participating county,**
 28 **and city or town in a participating county shall transfer to the**
 29 **district the amount determined by the agreements approved by the**
 30 **board and the fiscal body of the public transportation agency,**
 31 **participating county, or city or town in a participating county on**
 32 **the schedule specified in the agreements.**

33 **Sec. 2. The amount transferred under section 1 of this chapter**
 34 **may come from any unrestricted source of revenue available to the**
 35 **public transportation agency, participating county, or city or town**
 36 **in a participating county, including any revenue received by the**
 37 **public transportation agency from a tax imposed under IC 6-3.5.**

38 **Sec. 3. The district may use the following revenues only for the**
 39 **operation of the district or a project:**

- 40 **(1) Transfers under section 1 of this chapter.**
- 41 **(2) Property taxes from an allocation area in a district.**
- 42 **(3) A special property tax imposed under IC 8-25-14-7.**
- 43 **(4) Revenue collected from a food and beverage tax imposed**
 44 **under IC 6-9-41.**
- 45 **(5) Revenue distributed to a district from a county economic**
 46 **development income tax imposed under IC 6-3.5-7-34.**

47 **Sec. 4. To provide revenue to a district during a year, the**
 48 **district may recommend and the county fiscal body of a county**

that is a member of the district may elect to provide revenue to the district from part of the certified distribution, if any, that the county is to receive during that same year under IC 6-3.5-6-17. To make the election, the county fiscal body must adopt an ordinance before September 1 of the preceding year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to provide revenue to the district. If the ordinance is adopted, the county fiscal body immediately shall send a copy of the ordinance to the county auditor. Money distributed to the district under this section may be used only for the purposes of the district specified in an ordinance adopted by the fiscal body.

Chapter 14. Allocation Areas

Sec. 1. (a) Whenever the board finds that an allocation area in the district is likely to benefit from proximity to a public transportation system, the board shall cause to be prepared the data described in subsection (b).

(b) After making a finding under subsection (a), the commission shall cause to be prepared:

(1) maps and plats showing:

(A) the boundaries of the allocation area that is likely to receive a benefit; and

(B) the location of the various parcels of property, streets, alleys, and other features affecting the benefits from a public transportation system, indicating any parcels of property to be excluded from an allocation area;

(2) lists of the owners of the various parcels of property proposed to be benefitted by establishment of an allocation area or the amendment of the resolution or plan for an existing allocation area;

(3) the location of any existing allocation area (as defined in IC 6-1.1-21.2-3) relative to the proposed allocation area; and

(4) the costs of the project that will be funded by property taxes allocated from the allocation area.

(c) This subsection applies to the initial establishment of an allocation area. After completion of the data required by subsection (b), the board shall adopt a resolution declaring that:

(1) the area will benefit from proximity to a public transportation system;

(2) it will be of public utility and benefit to designate the allocation area under this chapter to fund a project;

(3) the area is designated as an allocation area for purposes of this chapter; and

(4) the proposed allocation area is not in an existing allocation area (as defined in IC 6-1.1-21.2-3).

The resolution must state the general boundaries of the allocation area and contain any provisions required by section 6 of this chapter.

(d) This subsection applies to the amendment of the resolution or plan for an existing allocation area. After completion of the data required by subsection (b), the board shall adopt a resolution declaring that:

- (1) if the amendment enlarges the boundaries of the allocation area, the existing allocation area does not generate sufficient revenue to meet the financial obligations of the original project;
- (2) it will be of public utility and benefit to amend the resolution or plan for the allocation area;
- (3) the additional area is designated as part of the existing allocation area for purposes of this chapter; and
- (4) the proposed allocation area is not in an existing allocation area (as defined in IC 6-1.1-21.2-3).

The resolution must state the general boundaries of the allocation area, including any changes made to those boundaries by the amendment, describe the activities that the district is permitted to take under the amendment, with any designated exceptions, and contain any provisions required by section 6 of this chapter.

(e) For the purpose of adopting a resolution under subsection (c) or (d), it is sufficient to describe the boundaries of the allocation area by its location in relation to public ways or streams, or otherwise, as determined by the board. Property excepted from the application of a resolution may be described by street numbers or location.

(f) An allocation established under this section may not be located in any allocation area (as defined in IC 6-1.1-21.2-3) established before the action taken under this section.

Sec. 2. (a) After adopting a resolution under section 1 of this chapter, the board shall publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1. The notice must:

- (1) state that maps and plats have been prepared and can be inspected at the office of the district; and
- (2) name a date, time, and place when the board will:
 - (A) receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed project or other actions to be taken under the resolution; and
 - (B) determine the public utility and benefit of the proposed project or other actions.

All persons affected in any manner by the hearing, including all taxpayers of the special taxing district, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the board by the notice given under this section.

1 (b) The board shall file the following information with each
2 taxing unit that is wholly or partly located within the allocation
3 area:

4 (1) A copy of the notice required by subsection (a).

5 (2) A statement disclosing the impact of the allocation area,
6 including the following:

7 (A) The estimated economic benefits and costs incurred by
8 the allocation area, as measured by increased employment
9 and anticipated growth of real property assessed values.

10 (B) The anticipated impact on tax revenues of each taxing
11 unit.

12 The board shall file the information required by this subsection
13 with the officers of the taxing unit who are authorized to fix
14 budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten
15 (10) days before the date of the hearing.

16 (c) At the hearing, which may be adjourned from time to time,
17 the board shall hear all persons interested in the proceedings and
18 shall consider all written remonstrances and objections that have
19 been filed. After considering the evidence presented, the board
20 shall take final action determining the public utility and benefit of
21 the proposed project or other actions to be taken under the
22 resolution, and confirming, modifying and confirming, or
23 rescinding the resolution. The final action taken by the board shall
24 be recorded and is final and conclusive, except that an appeal may
25 be taken in the manner prescribed by section 3 of this chapter.

26 Sec. 3. (a) A person who filed a written remonstrance with the
27 board under section 2 of this chapter and is aggrieved by the final
28 action taken may, within ten (10) days after that final action, file in
29 the office of the clerk of the circuit or superior court a copy of the
30 order of the board and the person's remonstrance against that
31 order, together with the person's bond conditioned to pay the costs
32 of the person's appeal if the appeal is determined against the
33 person. The only ground of remonstrance that the court may hear
34 is whether the proposed project will be of public utility and benefit.
35 The burden of proof is on the remonstrator.

36 (b) An appeal under this section shall be promptly heard by the
37 court without a jury. All remonstrances upon which an appeal has
38 been taken shall be consolidated and heard and determined within
39 thirty (30) days after the time of the filing of the appeal. The court
40 shall hear evidence on the remonstrances, and may confirm the
41 final action of the board or sustain the remonstrances. The
42 judgment of the court is final and conclusive, unless an appeal is
43 taken as in other civil actions.

44 Sec. 4. If no appeal is taken or if an appeal is taken but is
45 unsuccessful, the board may proceed with the designation or
46 expansion of the allocation area.

47 Sec. 5. After each general reassessment under IC 6-1.1-4, the
48 department of local government finance shall adjust the base

1 assessed value one (1) time to neutralize any effect of the general
 2 reassessment on the property tax proceeds allocated to the
 3 redevelopment district under this section. After each annual
 4 adjustment under IC 6-1.1-4-4.5, the department of local
 5 government finance shall adjust the base assessed value one (1)
 6 time to neutralize any effect of the annual adjustment on the
 7 property tax proceeds allocated to the redevelopment district
 8 under this section. However, the adjustments under this section
 9 may not include the effect of property tax abatements under
 10 IC 6-1.1-12.1, and these adjustments may not produce less
 11 property tax proceeds allocable to the allocation area than would
 12 otherwise have been received if the general reassessment or annual
 13 adjustment had not occurred. The department of local government
 14 finance may prescribe procedures for county and township officials
 15 to follow to assist the department in making the adjustments.

16 Sec. 6. (a) A resolution adopted under section 1 of this chapter
 17 shall include a provision with respect to the allocation and
 18 distribution of property taxes for the purposes and in the manner
 19 provided in this section. A resolution previously adopted must
 20 include an allocation provision by the amendment of that
 21 resolution in accordance with the procedures required for its
 22 original adoption.

23 (b) A resolution or an amendment that establishes an allocation
 24 provision must specify an expiration date for the allocation
 25 provision. The expiration date may not be more than twenty-five
 26 (25) years after the date on which the allocation provision is
 27 established.

28 (c) The allocation provision may apply to all or part of the
 29 allocation area. The allocation provision must require that any
 30 property taxes subsequently levied by or for the benefit of any
 31 public body entitled to a distribution of property taxes on taxable
 32 property in the allocation area be allocated and distributed as
 33 follows:

34 (1) Except as otherwise provided in this section, the proceeds
 35 of the taxes attributable to the lesser of:

36 (A) the assessed value of the property for the assessment
 37 date with respect to which the allocation and distribution
 38 is made; or

39 (B) the base assessed value;

40 shall be allocated to and, when collected, paid into the funds
 41 of the respective taxing units.

42 (2) Except as otherwise provided in this section, property tax
 43 proceeds that exceed those described in subdivision (1) shall
 44 be allocated to the district and, when collected, paid into an
 45 allocation fund for that allocation area that may be used by
 46 the district only to do one (1) or more of the following:

47 (A) Pay the principal of and interest on any obligations
 48 payable solely or in any part from allocated tax proceeds

1 which are incurred by the district for the purpose of
2 financing or refinancing a project that benefits the
3 allocation area.

4 (B) Establish, augment, or restore the debt service reserve
5 for bonds payable solely or in part from allocated tax
6 proceeds in that allocation area.

7 (C) Pay the principal of and interest on bonds issued by a
8 public transportation agency to pay for a project that
9 benefits the allocation area.

10 (D) Pay premiums on the redemption before maturity of
11 bonds payable solely or in part from allocated tax proceeds
12 in that allocation area.

13 (E) Make payments on leases that benefit the allocation
14 area.

15 (F) Reimburse the district or a public transportation
16 agency for expenditures made by it for the organization of
17 the district or a project that benefits the allocation area.

18 (3) Except as provided in subsection (g), before July 15 of
19 each year the board shall do the following:

20 (A) Determine the amount, if any, by which the assessed
21 value of the taxable property in the allocation area for the
22 most recent assessment date minus the base assessed value,
23 when multiplied by the estimated tax rate of the allocation
24 area, will exceed the amount of assessed value needed to
25 produce the property taxes necessary to make, when due,
26 principal and interest payments on bonds described in
27 subdivision (2) plus the amount necessary for other
28 purposes described in subdivision (2).

29 (B) Provide a written notice to the county auditor, the
30 fiscal body of the county and the officers who are
31 authorized to fix budgets, tax rates, and tax levies under
32 IC 6-1.1-17-5 for each of the other taxing units that is
33 wholly or partly located within the allocation area. The
34 notice must:

35 (i) state the amount, if any, of excess assessed value that
36 the board has determined may be allocated to the
37 respective taxing units in the manner prescribed in
38 subdivision (1); or

39 (ii) state that the board has determined that there is no
40 excess assessed value that may be allocated to the
41 respective taxing units in the manner prescribed in
42 subdivision (1).

43 The county auditor shall allocate to the respective taxing
44 units the amount, if any, of excess assessed value
45 determined by the board. The board may not authorize an
46 allocation of assessed value to the respective taxing units
47 under this subdivision if to do so would endanger the

1 interests of the holders of bonds described in subdivision
2 (2) or lessors under this article.

3 (d) For the purpose of allocating taxes levied by or for any
4 taxing unit or units, the assessed value of taxable property in a
5 territory in the allocation area that is annexed by any taxing unit
6 after the effective date of the allocation provision of the
7 declaratory resolution is the lesser of:

8 (1) the assessed value of the property for the assessment date
9 with respect to which the allocation and distribution is made;

10 or

11 (2) the base assessed value.

12 (e) Property tax proceeds allocable to the district under
13 subsection (c)(2) may, subject to subsection (c)(3), be irrevocably
14 pledged by the district for payment as set forth in subsection (c)(2).

15 (f) Notwithstanding any other law, each assessor shall, upon
16 petition of the board, reassess the taxable property situated upon
17 or in, or added to, the allocation area, effective on the next
18 assessment date after the petition.

19 (g) Notwithstanding any other law, the assessed value of all
20 taxable property in the allocation area, for purposes of tax
21 limitation, property tax replacement, and formulation of the
22 budget, tax rate, and tax levy for each political subdivision in
23 which the property is located is the lesser of:

24 (1) the assessed value of the property as valued without
25 regard to this section; or

26 (2) the base assessed value.

27 (h) If any part of the allocation area is located in an enterprise
28 zone created under IC 5-28-15, the unit that designated the
29 allocation area shall create funds as specified in this subsection. A
30 unit that has obligations, bonds, or leases payable from allocated
31 tax proceeds under subsection (c)(2) shall establish an allocation
32 fund for the purposes specified in subsection (c)(2) and a special
33 zone fund. Such a unit shall, until the end of the enterprise zone
34 phase out period, deposit each year in the special zone fund any
35 amount in the allocation fund derived from property tax proceeds
36 in excess of those described in subsection (c)(1) from property
37 located in the enterprise zone that exceeds the amount sufficient
38 for the purposes specified in subsection (c)(2) for the year. The
39 amount sufficient for purposes specified in subsection (c)(2) for the
40 year shall be determined based on the pro rata portion of such
41 current property tax proceeds from the part of the enterprise zone
42 that is within the allocation area as compared to all such current
43 property tax proceeds derived from the allocation area. A unit that
44 has no obligations, bonds, or leases payable from allocated tax
45 proceeds under subsection (c)(2) shall establish a special zone fund
46 and deposit all the property tax proceeds that exceed those
47 described in subsection (c)(1) in the fund derived from property tax
48 proceeds in excess of those described in subsection (c)(1) from

1 property located in the enterprise zone. The unit that creates the
 2 special zone fund shall use the fund (based on the
 3 recommendations of the urban enterprise association) for
 4 programs in job training, job enrichment, and basic skill
 5 development that are designed to benefit residents and employers
 6 in the enterprise zone or other purposes specified in subsection
 7 (c)(2), except that where reference is made in subsection (c)(2) to
 8 the allocation area it shall refer for purposes of payments from the
 9 special zone fund only to that part of the allocation area that is also
 10 located in the enterprise zone. Those programs shall reserve at
 11 least one-half (1/2) of their enrollment in any session for residents
 12 of the enterprise zone.

13 Sec. 7. (a) A board may levy each year a special tax on all the
 14 property in an allocation area in the district, in such a manner as
 15 to meet and pay the principal of the bonds as they mature, together
 16 with all accruing interest on the bonds or lease rental payments
 17 under this article. The board shall cause the tax levied to be
 18 certified to the proper officers as other tax levies are certified, and
 19 to the auditor of the county in which the district is located, before
 20 the second day of October in each year. The tax shall be estimated
 21 and entered on the tax duplicate by the county auditor and shall be
 22 collected and enforced by the county treasurer in the same manner
 23 as other state and county taxes are estimated, entered, collected,
 24 and enforced.

25 (b) As the tax is collected, it shall be accumulated in a separate
 26 fund to be known as the allocation area fund and shall be applied
 27 to the purposes for which money allocated to the district under
 28 section 6 of this chapter may be used. All accumulations of the fund
 29 before their use shall be deposited with the depository or
 30 depositories for other public funds of the unit in accordance with
 31 IC 5-13, unless they are invested under IC 5-13-9.

32 (c) The tax levies provided for in this section are reviewable by
 33 other bodies vested by law with the authority to ascertain that the
 34 levies are sufficient to raise the amount that, with other amounts
 35 available, is sufficient to meet the payments under the lease
 36 payable from the levy of taxes.

1 **Sec. 8. The state board of accounts and department of local**
2 **government finance shall adopt rules and prescribe forms and**
3 **procedures they consider expedient for the implementation of this**
4 **chapter.".**

5 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1607 as printed April 10, 2009.)

Senator LANANE